



July 17, 2013

Item No. 5

REQUEST FOR AUTHORIZATION TO SUBMIT A DE MINIMUS DEMOLITION APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE DEMOLITION OF A TWO (2) UNIT SCATTERED SITES DWELLING STRUCTURE LOCATED AT 2620 WEST POTOMAC AVENUE

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to submit a de minimus demolition application to the U.S. Department of Housing and Urban Development ("HUD") for the demolition of a two (2) unit dwelling structure located at 2620 West Potomac Avenue and to demolish said property upon receipt of approval from HUD. The demolition of this dwelling structure is included in the 2013 Annual Plan approved by HUD on May 16, 2013.

The Chief Development Officer of Development Management and the Office of the General Counsel have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL

Ensure that CHA's housing portfolio is safe, decent and sustainable.

FUNDING

No CHA funding is applicable to this transaction.

EXPLANATION

The Capital Construction Department (CCD) was requested to complete a structural assessment of the building located at 2620 West Potomac Avenue to determine its structural stability and make recommendations as to its viability for occupancy. The assessment revealed significant settlement of the interior floor slab, exterior walkways and surrounding ground, which in turn has caused the interior bearing wall to drop. As a result, the second floor joists are no longer properly supported. In addition, gaps between building components are visible and extensive mold damage was observed. Because of the deteriorated condition and life safety issues of the building, it has been determined that the architectural and rehabilitation costs needed to make the building viable for habitation exceed the Total Development Costs (TDC) allowed by HUD for these types of structures.

Per HUD regulations at 24 CFR Part 970.7, permission to demolish or dispose of all or a portion of a development must be requested via submission of the applicable HUD form 52860, and must include a copy of a resolution by the Authority's Board of Commissioners approving the application. The demolition of this property qualifies under HUD's de minimus rule which provides that in any five (5) year period, a Public Housing Authority ("PHA") may demolish 5% of its dwelling units or five (5) dwelling units, whichever is less by submitting an abbreviated demolition application. Within the last five (5) years, the CHA has demolished only three (3) units under HUD's de minimus rule and

therefore is eligible to submit a de minimus demolition application for this property. HUD's acknowledgement and approval of the request allows the PHA to proceed with the demolition.

Based on the above, the CHA requests that the Board of Commissioners approve the attached resolution authorizing the submission of a de minimus demolition application to HUD for the property referenced above, and to demolish said property upon receipt of approval from HUD.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (Department of Housing and Urban Development) procurement laws.

The Chief Development Officer of Development Management concurs with the submission of a de minimus demolition application to HUD for the property referenced above, and to demolish said property upon receipt of approval from HUD.

The Chief Executive Officer recommends the submission of a de minimus demolition application to HUD for the property referenced above, and to demolish said property upon receipt of approval from HUD.

RESOLUTION NO. 2013-CHA-52

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated July 17, 2013, entitled "REQUEST FOR AUTHORIZATION TO SUBMIT A DE MINIMUS DEMOLITION APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE DEMOLITION OF A TWO (2) UNIT SCATTERED SITES DWELLING STRUCTURE LOCATED AT 2620 WEST POTOMAC AVENUE";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to submit a de minimus demolition application to the U.S. Department of Housing and Urban Development ("HUD") for the demolition of a two (2) unit dwelling structure located at 2620 West Potomac Avenue, and to demolish said property upon receipt of approval from HUD.



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